

public hearing scheduled for May 24, 2000, is canceled.

**Cynthia E. Grigsby,**

*Chief, Regulations Unit, Assistant Chief Counsel (Corporate).*

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## **POSTAL SERVICE**

### **39 CFR Part 111**

#### **Sack Preparation Changes for Periodicals Nonletter-Size Pieces and Periodicals Prepared on Pallets**

**AGENCY:** Postal Service.

**ACTION:** Proposed rule.

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**SUMMARY:** This proposed rule would revise the standards for the preparation of nonautomation nonletter-size carrier route Periodicals prepared in sacks and the preparation of Periodicals packages and bundles on pallets. For Periodicals carrier route mail in sacks, the proposed standards would require carrier route sacks to contain a minimum of 24 pieces and would make 5-digit scheme carrier route sacks a required sack sortation level. All other sack sortation criteria would remain unchanged. For Periodicals prepared in packages and bundles on pallets, the proposal would require preparation of 5-digit scheme pallets.

**DATES:** Comments on the proposed standards must be received on or before June 15, 2000.

**ADDRESSES:** Written comments should be mailed or delivered to the Manager, Mail Preparation and Standards, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 6800, Washington, DC 20260–2405. Copies of all written comments will be available for inspection and photocopying at USPS Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor N, Washington, DC between 9 a.m. and 4 p.m., Monday through Friday. Copies of comments also may be requested via fax or email.

**FOR FURTHER INFORMATION CONTACT:** Joel Walker, 202–268–3340; jwalke13@email.usps.gov.

**SUPPLEMENTARY INFORMATION:** The Postal Service and the Periodicals industry are concerned over recent upward trends in the costs associated with processing Periodicals mail and have been studying ways to reverse these trends. Several ideas have come out of mutual discussions that were based on joint representation from the Postal Service and the Periodicals industry. Cost models suggest that we can reduce

handling costs by preparing Periodicals mail in a manner to facilitate handling, such as optimizing presort levels and requiring the use of scheme sorts.

In order to reduce processing costs for the handling of Periodicals mail, the Postal Service is proposing mail preparation and sortation changes for nonautomation nonletter-size Periodicals prepared in sacks. Currently, postal standards provide an option for Periodicals mailers to prepare carrier route sacks with a minimum of one package. To reduce the number of sacks and the processing costs associated with the handling of these sacks, the Postal Service is proposing that all direct carrier route sacks must contain a minimum of 24 pieces and will require the use of 5-digit/scheme carrier routes sorts for nonautomation nonletter-size Periodicals prepared in sacks. Carrier route packages totaling less than 24 pieces to the same carrier route would be placed in 5-digit carrier routes or 5-digit scheme carrier routes sacks as appropriate. This proposed change should not have any negative impact on service because a direct carrier route sack is opened and its contents distributed in the same manner and location as 5-digit carrier routes and 5-digit scheme carrier routes sacks at the delivery unit.

To increase the number of pallets that can be cross-docked and reduce processing costs associated with the handling of pallets of Periodicals, the Postal Service proposes to require preparation of both 5-digit scheme and 5-digit pallets when there are 500 pounds of Periodicals packages and bundles for a scheme in DMM L001, or for a single 5-digit Zip Code not listed in DMM L001.

The proposed effective date of this change is October 15, 2000.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 410 (a)), the Postal Service invites comments on the following proposed revisions to the Domestic Mail Manual, incorporated by reference in the Code of Federal Regulations. See 39 CFR part 111.

#### List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

#### PART 111—[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

**Authority:** 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 414, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

2. Revise the following sections of the Domestic Mail Manual as follows:

#### *E200 Periodicals*

\* \* \* \* \*

#### *E230 Nonautomation Rates*

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### 2.0 CARRIER ROUTE RATES

\* \* \* \* \*

#### 2.2 Eligibility

Preparation to qualify eligible pieces for carrier route rates is optional and is subject to M200. \* \* \*

[Amend 2.2a by replacing the last sentence to read as follows:]

\* \* \* (Preparation of 5-digit/scheme carrier routes sacks is required must be done for all 5-digit/scheme destinations.)

\* \* \* \* \*

### M Mail Preparation and Sortation

#### *M000 General Preparation Standards*

#### *M010 Mailpieces*

#### *M011 Basic Standards*

### 1.0 TERMS AND CONDITIONS

\* \* \* \* \*

#### 1.3 Preparation Instructions

For purposes of preparing mail:

[Amend 1.3h and 1.3i by replacing the fourth sentence in each to read as follows:]

\* \* \* \* \*

h. \* \* \* The 5-digit/scheme sort is required for carrier route rate flat-size and irregular parcel Periodicals and optional for flat-size Enhanced Carrier Route rate Standard Mail (A) in sacks. \* \* \*

i. \* \* \* The 5-digit/scheme sort is required for carrier route rate flat-size and irregular parcel Periodicals and optional for flat-size Standard Mail (A) prepared as packages on pallets and may not be used for other mail prepared on pallets, except for packages of Standard Mail (A) irregular parcels that are part of a mailing job that is prepared in part as palletized flats at automation rates. \* \* \*

\* \* \* \* \*

#### *M030 Containers*

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#### *M033 Sacks and Trays*

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### 1.0 BASIC STANDARDS

\* \* \* \* \*

### 1.8 Periodicals Flats and Irregular Parcels Origin/Entry SCF Sacks

[Amend 1.8 by replacing the first sentence to read as follows:]

For flat-size and irregular parcel-size Periodicals, after all carrier route, 5-digit/scheme carrier routes, 5-digit, 3-digit, and required SCF sacks are prepared, an SCF sack must be prepared to contain any remaining 5-digit and 3-digit packages for the 3-digit ZIP Code area(s) served by the SCF serving the post office where the mail is verified, and may be prepared for the area served by the SCF/plant where mail is entered (if that is different from the SCF/plant serving the post office where the mail is verified; e.g., a PVDS deposit site).

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\* \* \* \* \*

#### *M040 Pallets*

#### *M041 General Standards*

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### 5.0 Preparation

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#### 5.2 Required Preparation

These standards apply to:

[Amend 5.2a by replacing the third sentence and adding a new fourth sentence to read as follows:]

a. Periodicals, Standard Mail (A), and Parcel Post (other than BMC Presort, OBMC Presort, DSCF, and DDU rate mail). A pallet must be prepared to a required sortation level when there are 500 pounds of Periodicals or Standard Mail packages, sacks, or parcels or six layers of Periodicals or Standard Mail (A) letter trays. For packages of Periodicals flats and irregular parcels on pallets prepared under the standards for package reallocation (M045.5), not all mail for a required 5-digit/scheme destination is required to be on a 5-digit/scheme pallet. For packages of Standard Mail (A) flats on pallets, not all mail for a required 5-digit destination is required to be on a 5-digit pallet or optional 5-digit/scheme pallet. \* \* \*

#### *M045 Palletized Mailings*

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### 4.0 PALLET PRESORT AND LABELING

#### 4.1 Packages, Bundles, Sacks, or Trays on Pallets

[Amend 4.1a and b to read as follows:]

a. 5-digit (For Periodicals sacks or trays and all Standard Mail): required for sacks; required for packages and bundles of Standard Mail, except for packages and bundles prepared under b;

optional for trays; for Line 1, use 5-digit ZIP Code destination of contents.

b. 5-digit/scheme: required for Periodicals packages and bundles and optional for Standard Mail (A) packages and bundles; for Line 1 for 5-digit pallets, use 5-digit ZIP Code destination of contents; for Line 1 for 5-digit/scheme pallets, use L001, Column B.

\* \* \* \* \*

## *M200 Periodicals (Nonautomation)*

### **1.0 BASIC STANDARDS**

\* \* \* \* \*

### **1.5 Low-Volume Packages and Sacks**

**[Amend 1.5 to read as follows:]**

As a general exception to 2.4b through 2.4d, and 3.1a through 3.1e, nonletter-size Periodicals may be prepared in carrier route, 5-digit, and 3-digit packages containing fewer than six pieces when the publisher determines that such preparation improves service, provided those packages are placed in carrier route (24 piece minimum), 5-digit carrier routes, 5-digit scheme carrier routes, 5-digit, 3-digit, and SCF sacks. These low-volume packages may be placed on 5-digit/scheme, 3-digit, and SCF pallets under M045.

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### **3.0 SACK PREPARATION (FLAT-SIZE PIECES AND IRREGULAR PARCELS)**

#### **3.1 Sack Preparation**

Sack size, preparation sequence, and Line 1 labeling:

[Amend 3.1 by deleting b, redesignating c through h as b through g, and rewording a and new b to read as follows:]

a. Carrier route: required for rate eligibility at 24 pieces, fewer pieces not permitted; for Line 1, use 5-digit ZIP Code destination of packages, preceded for military mail by the prefixes under M031.

b. 5-digit/scheme carrier routes (carrier route packages only): required for rate eligibility (no minimum); for Line 1 for 5-digit carrier routes sacks, use 5-digit ZIP Code destination of packages, preceded for military mail by the prefixes under M031; for Line 1 for 5-digit scheme carrier routes sacks, use L001, Column B.

\* \* \* \* \*

An appropriate amendment to 39 CFR part 111 to reflect these changes will be published if the proposal is adopted.

**Stanley F. Mires,**

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